

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

BLACKLIGHT POWER, INC.)	<u>C.A. NO. 00-422 (EGS)</u>
)	
VS.)	WASHINGTON, D.C.
)	MAY 22, 2000
Q. TODD DICKINSON)	10:00 A.M.

TRANSCRIPT OF MOTIONS HEARING
BEFORE THE HONORABLE EMMET G. SULLIVAN
UNITED STATES DISTRICT JUDGE

APPEARANCES:

FOR THE PLAINTIFF: MICHAEL H. SELTER, ESQ.
JEFFREY A. SIMENAUER, ESQ.
JEFFREY S. MELCHER, ESQ.

FOR THE DEFENDANT: FRED E. HAYNES, ESQ.
KEVIN BAER, ESQ.

COURT REPORTER: FRANK J. RANGUS, OCR
U. S. COURTHOUSE, RM. 6822
WASHINGTON, D.C. 20001
(202) 371-0545

PROCEEDINGS RECORDED BY ELECTRONIC STENOGRAPHY; TRANSCRIPT
PRODUCED BY COMPUTER.

1 FORM AND A PATENT COULD ISSUE WITHOUT ANY MEANINGFUL REVIEW?

2 MR. BAER: WELL, NO, YOUR HONOR, THERE IS REVIEW. THE
3 PATENT EXAMINERS DO REVIEW THEM. UNFORTUNATELY, PATENT
4 EXAMINERS ARE SWAMPED AND SOMETIMES THINGS SLIP THROUGH. IN
5 THIS CASE, AT LEAST THE APPLICATION AT ISSUE IN THIS SUIT, IT
6 DOESN'T APPEAR THAT THE EXAMINER DISCUSSED THE FRACTIONAL
7 QUANTUM NUMBERS. NOW, PLAINTIFF WILL ARGUE THAT THEY DID, BUT
8 I CAN'T FIND ANYTHING IN THE RECORD WHERE THEY DISCUSSED A
9 FRACTIONAL END NUMBER. THAT'S THE QUANTUM NUMBER.
10 UNFORTUNATELY, THE ONE THAT ISSUED GOT THROUGH. BUT HERE WE
11 HAVE BEEN ABLE TO TAKE A SECOND LOOK AT IT AND WE HAVE SERIOUS
12 QUESTIONS ABOUT THE PATENTABILITY, AND WE DON'T WANT TO ISSUE
13 AN INVALID PATENT.

14 THE COURT: IF THE COURT AGREES WITH THE GOVERNMENT
15 THAT THE PATENT SHOULD NOT ISSUE, THERE ARE ADMINISTRATIVE
16 REMEDIES AVAILABLE TO THE PLAINTIFF?

17 MR. BAER: OH, ABSOLUTELY, YOUR HONOR.

18 THE COURT: THIS IS NOT A REJECTION. THIS IS MERELY
19 WHAT?

20 MR. BAER: IT'S A PROCEDURAL TOOL TO ALLOW EXAMINATION
21 TO CONTINUE. WHAT COULD HAPPEN, PLAINTIFF KEEPS TELLING US
22 THAT THEY'LL COME IN THE OFFICE AND THEY'LL PROVE IT'S
23 PATENTABLE, AND IF IT IS PATENTABLE, WE WILL ISSUE IT.

24 THE COURT: SO IT'S NOT AS IF THE PLAINTIFF IS OUT OF
25 COURT?

1 THE COURT: THEY'RE SO NOVEL THAT THEY REQUIRE
2 INVESTMENTS OF TIME, SIGNIFICANT INVESTMENTS OF TIME, TO
3 DETERMINE WHETHER OR NOT THEY ARE PATENTABLE, I ASSUME.

4 MR. BAER: THAT IS CORRECT, YOUR HONOR.

5 THE COURT: WHAT HAPPENED IN THIS CASE? THIS PATENT
6 WAS FILED A COUPLE OF YEARS AGO. IT LOOKS LIKE EVERYONE FELL
7 ASLEEP AT THE SWITCH UNTIL AFTER ONE PATENT WAS ISSUED AND THAT
8 TRIGGERED THIS. AFTER THE 935 PATENT WAS ISSUED, THEN THAT
9 TRIGGERED ALL SORTS OF SCRUTINY FOR THE 294.

10 MR. BAER: YOUR HONOR, IT IS FILED. THE EXAMINER
11 LOOKS AT IT. I BELIEVE THE EXAMINER ONLY HAS, IT IS LESS THAN
12 A WEEK, AND I BELIEVE THEY HAVE TO LOOK AT TWO OR THREE
13 APPLICATIONS A WEEK. SO VERY LITTLE TIME ACTUALLY WAS SPENT
14 LOOKING AT THIS APPLICATION. SO THE EXAMINER ISSUED SOME
15 OFFICE ACTIONS. IT WENT BACK AND FORTH AND EVENTUALLY HE
16 ALLOWED IT, BUT THERE WAS NOT A TWO-YEAR INVESTIGATION OF THIS.

17 YOU HAD ALSO ASKED, HAD THE OFFICE RUN ANY TESTS? WE
18 DON'T HAVE ANY ABILITY WITHIN THE AGENCY TO RUN THE TESTS.
19 THAT'S WHY WE WANT THE APPLICANT TO COME IN. AND ONCE AGAIN I
20 HAVE TO REMIND YOU THEY REQUESTED TO COME IN IN THEIR FORMAL
21 LETTER TO THE AGENCY: "LET US COME IN AND TALK TO YOU ABOUT
22 THIS BEFORE YOU DO ANYTHING." WE AGREED TO THAT. THEY'VE NOW
23 BACKED AWAY FROM THAT.

24 THE COURT: WHAT'S THE PREJUDICE TO THE GOVERNMENT IF
25 THIS PATENT ISSUES? I MEAN, THE PLAINTIFFS MAINTAIN IT WILL DO

1 ATTENTION TO THAT. THE PATENT NEVER ISSUED. NOW, NOT ALL OF
2 THOSE ARE FOR THIS REASON. SOME WOULD BE FOR INTERFERENCES.
3 SOME WOULD BE AT THE APPLICANT'S REQUEST. BUT IT'S NOT AN
4 UNCOMMON OCCURRENCE THAT THE AGENCY, AFTER THE ISSUANCE FEE IS
5 PAID, FINDS SOME REASON TO WITHDRAW THE PATENT.

6 THERE'S ALSO USUALLY A TIME LAG BETWEEN WHEN THE
7 NOTICE OF ALLOWANCE GOES OUT AND THE ISSUE FEE IS PAID, AND IN
8 THESE CASES THE ISSUE FEE IS PAID WITHIN DAYS. NOW, THAT'S NOT
9 TO SAY IT NEVER HAPPENS, AND MAYBE THAT'S THIS FIRM'S PRACTICE,
10 TO DO IT ALL THE TIME. IN MOST OF THE CASES I'VE SEEN, THERE'S
11 ALWAYS A LONG DELAY.

12 THE COURT: WAS THAT A SIGNIFICANT SUM OF MONEY?

13 MR. BAER: I BELIEVE IT'S AROUND A THOUSAND DOLLARS.

14 THE COURT: A THOUSAND DOLLARS. ALL RIGHT.

15 MR. BAER: IT'S NOT THAT SIGNIFICANT FOR A
16 CORPORATION.

17 THE COURT: IS IT SIGNIFICANT THAT, WHEN THE
18 APPLICATION FOR THE PATENT WAS APPROVED, THERE WERE NO REASONS
19 GIVEN? IS THAT USUAL OR NOT?

20 MR. BAER: THAT OFTEN HAPPENS ALSO, YOUR HONOR. THE
21 EXAMINERS ARE UNDER TREMENDOUS PRESSURE TO PRODUCE WORK, AND IF
22 THEY'RE GOING TO APPROVE IT, THEY JUST APPROVE IT AND KIND OF
23 LET IT OUT THE DOOR. SOMETIMES, THEY DO PROVIDE REASONING, BUT
24 OFTEN THEY DON'T. IT IS NOT THAT SIGNIFICANT.

25 YOUR HONOR, IF THE COURT DECIDES THAT THE AGENCY HAS